

ASPEN OIL INC.

Phone 505-393-2223

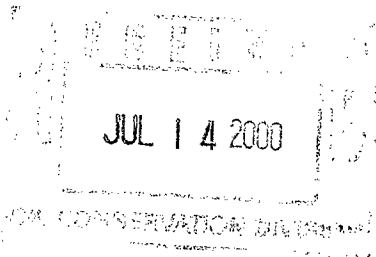
P.O. BOX 2674
HOBBS, NEW MEXICO 88241

28552

DHC 8/3/00

June 16, 2000

New Mexico Energy, Minerals
& Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe New Mexico



RE: State BX Com #1
Sec.35-T17S-R28E
Eddy County, NM

Dear Mr. Catanach,

Aspen Oil, Inc. respectfully requests an exception for the State BX Com #1 to statewide rule 303. This well is currently producing from the Empire Atoka (Gas) pool (76375). We would like to commingle it with the Empire Morrow, South (Gas) pool (76,400). Both of these zones are very low pressure and there would be no chance of crossflow. The Morrow zone was previously perforated and is below a bridge plug. We propose to drill out this plug and commingle the two zones. We would like to start this as soon as we can get approval from the Oil Conservation Division.

We propose the following production allocation based on past production data

	<u>GAS</u>	<u>OIL</u>
Atoka	19%	50%
Morrow	81%	50%

Please notify me if you have any questions or recommendations concerning this matter

Sincerely,

Erick W. Nelson
Engineer

Cc: Oil Conservation Division Artesia, New Mexico

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-107
Revised March 17, 1999

Filing Instructions
At Bottom of Page

APPLICATION FOR MULTIPLE COMPLETION

ASPEN OIL, INC

P.O.BOX 2674 HOBBS, NEW MEXICO 88241

Operator

Address

STATE BX COM #1

1

O

35 - 17S - 28E

EDDY

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

All applicants for multiple completion must complete Items 1 and 2 below.

1. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation			
b. Top and Bottom of Pay Section (Perforations)	10208-10219		10590-10722
c. Type of production (Oil or Gas)	GAS		GAS
d. Method of Production (Flowing or Artificial Lift)	FLOW		FLOW
e. Daily Production <input type="checkbox"/> Actual <input type="checkbox"/> Estimated Oil Bbls. Gas MCF Water Bbls.	.25 BBL OIL, 30 MCF, .25 BBL WATER, ACTUAL PRODUCTION		100 MCF, .25 BBL OIL, .25 BBL WATER, ESTIMATED FROM LAST PRODUCTION DATA

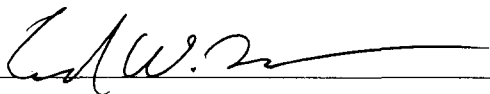
2. The following must be attached:

- Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A.)

OPERATOR:

I hereby certify above information is true and complete to best of my knowledge, and belief.

Signature



Printed Name & Title ERICK W. NELSON

Date 6-25-2000 Telephone 915-694-8032

OIL CONSERVATION DIVISION

Approved by

Title

Date

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

FILING INSTRUCTIONS:

- District Approval -- See rule 112-A-B -- Submit 4 copies of Form C-107 with attachments to appropriate district office.
- Division Director Administrative Approval -- See Rule 112-C -- Submit 2 copies of Form C-107 with attachments to Division office in Santa Fe and 2 copies of Form C-107 with attachments to appropriate district office.
- Multiple completions not qualifying for District or Division Director approval may be set for hearing as outlined in Rule 112-A-E.

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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

APPLICATION TYPE

X Single Well

Establish Pre-Approved Pools

EXISTING WELLBORE

X Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

ASPEN OIL INC

P.O. BOX 2674 HOBBS, NEW MEXICO 88241

Operator STATE BX COM Address UNIT O SEC.35-T17S-R28E EDDY

Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 010701 Property Code 18028 API No. 30015240590000 Lease Type: Federal X State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	EMPIRE, ATOKA (GAS)		EMPIRE, MORROW, SOUTH (GAS)
Pool Code	76375		76400
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10208-10219		10590-10722
Method of Production (Flowing or Artificial Lift)	FLOW		FLOW
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	CURRENT: 680# ESTIMATED		LAST: 753# ESTIMATED
Oil Gravity or Gas BTU (Est) (Degree API or Gas BTU)	1100		1100
Producing, Shut-In or New Zone	PRODUCING		SHUT IN
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 5-30-2000 Rates: .25 BO, .25 BW, 30 MCF	Date: Rates:	Date: 1-1995 Rates: 0 BO, 0 BW, 17 MCF
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 50 % 19 %	Oil Gas % %	Oil Gas 50 % 81 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes X No

Will commingling decrease the value of production? Yes No X

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes X No

NMOCD Reference Case No. applicable to this well:

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Erick W. Nelson TITLE ERICK W. NELSON DATE 6-15-2000
Engineer

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102

Revised October 18, 1994

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30015240590000		Pool Code 76375		Pool Name Empire, Atoka (Gas)	
Property Code 18028		Property Name State BX Com #1			Well Number 1
OGRID No. 010701		Operator Name Aspen Oil, Inc.			Elevation 3657.5 GL


¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	35	17S	28E		660	South	1980	East	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p></p> <p>Signature Erick W. Nelson</p> <p>Printed Name Engineer</p> <p>Title 6-17-2000</p> <p>Date</p>
					<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 3001524059000	Pool Code 76400	Pool Name Empire, Morrow, South (Gas)
Property Code 18028	Property Name State BX Com-#1	Well Number 1
OGRID No. 010701	Operator Name Aspen Oil, Inc.	Elevation 3657.5 6L

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	35	17S	28E		660	South	1980	East	Echols

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

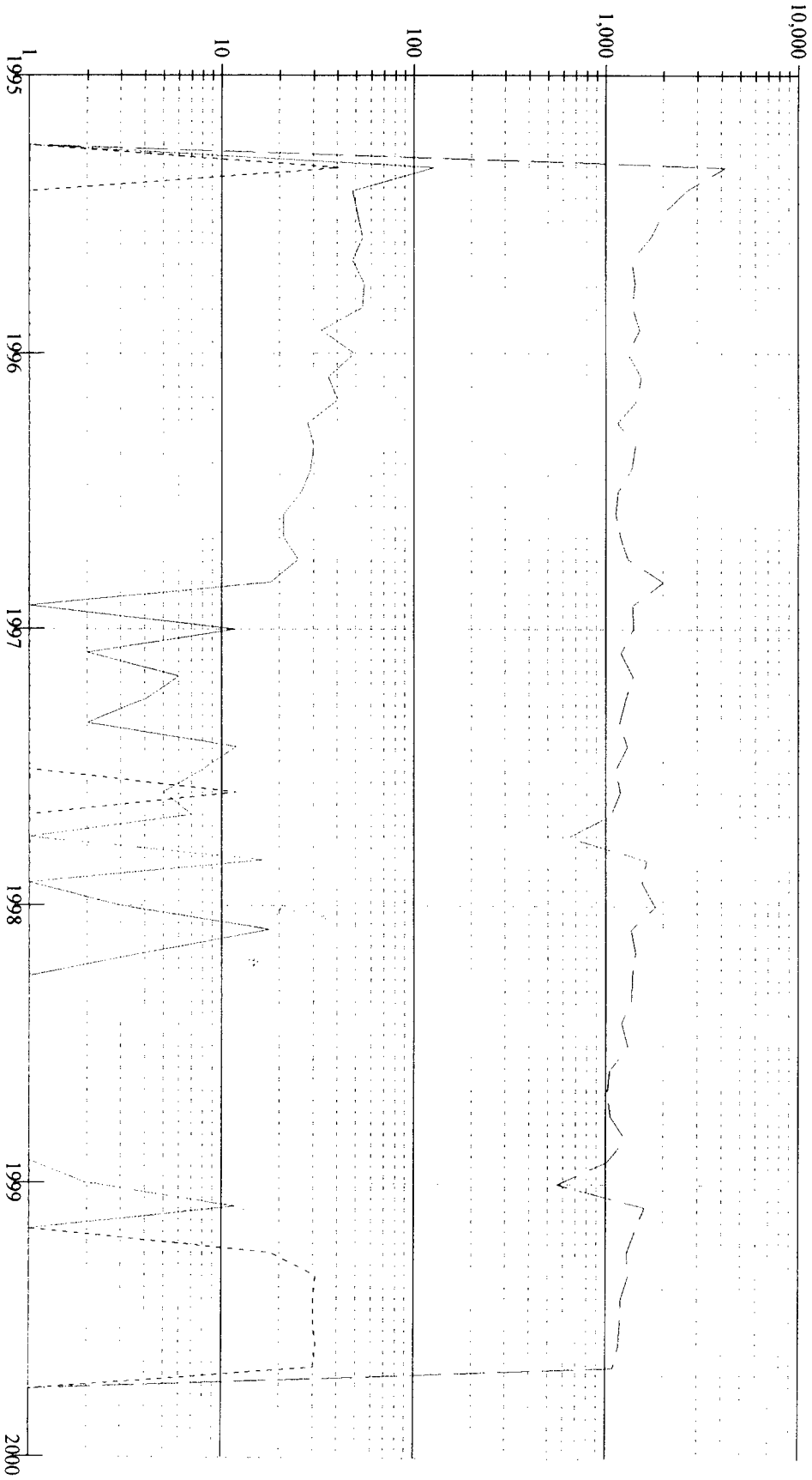
16					<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i> Signature Eric W Nelson Printed Name Engineer Title 6-17-2000 Date</p>
					<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey Signature and Seal of Professional Surveyor: Certificate Number</p>

660' 1980'

Oil
Gas
Water
Wells

Field: **EMPIRE**
Lease: **STATE BX COM | Well #1**
Operator: **HOPPER-BARNETT INCORPORATED**
Production Rate vs Time
For the Period 01/1995 to 12/1999 | API: 30015240590000

BBl/Mo or Mcf/Mo



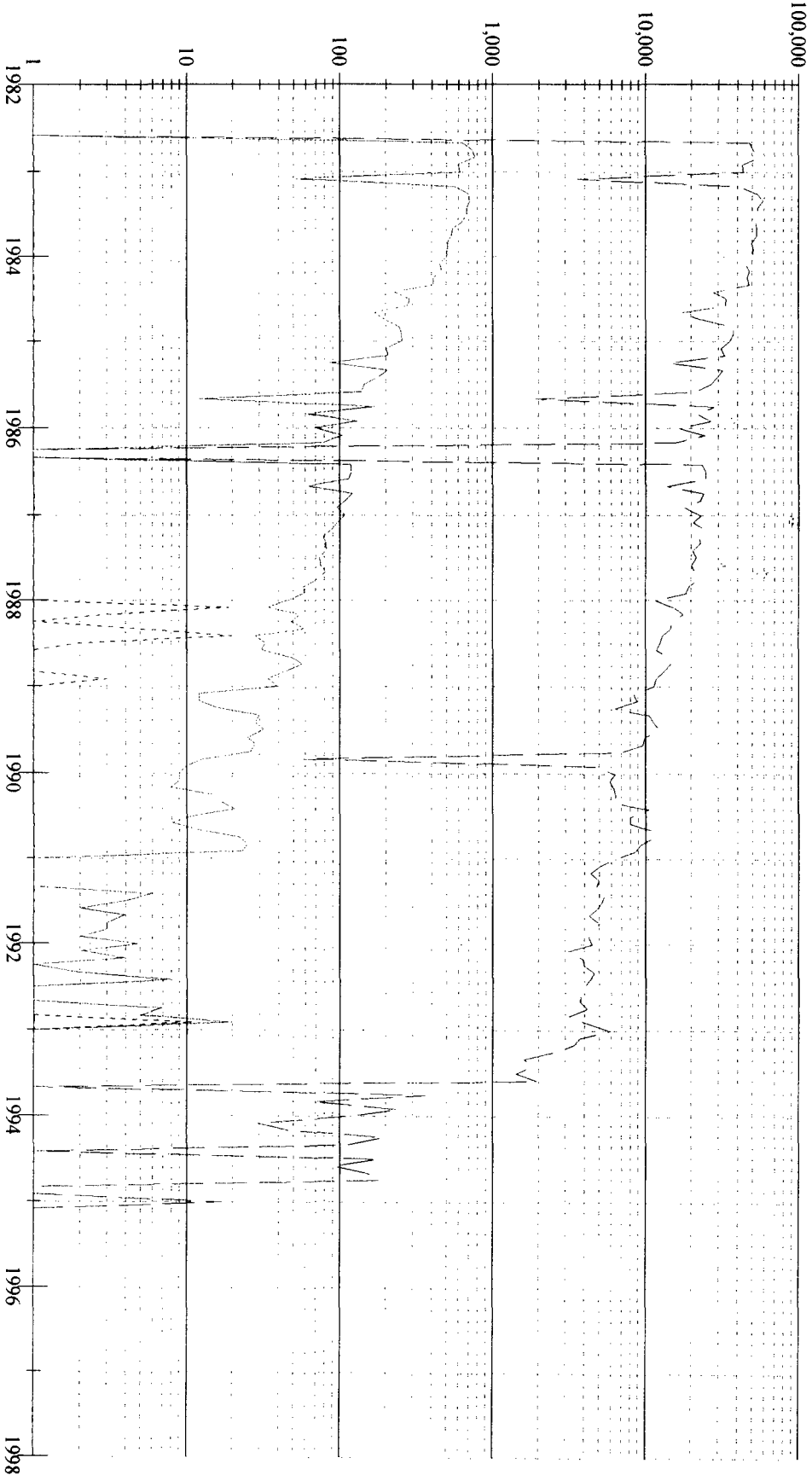
Time

Reported Oil Production = 910 Bbls
Reported Gas Production = 73,748 Mcf
Reported Water Production = 223 Bbls

Oil
Gas
Water
Wells

Field: EMPIRE SOUTH
Lease: STATE BX COM | Well #1
Operator: ARCO PERMIAN
Production Rate vs Time
For the Period 01/1982 to 12/1997 | API: 30015240590000

Bbl/Mo or Mcf/Mo



Reported Oil Production = 18,146 Bbls
Reported Gas Production = 2,484,889 Mcf
Reported Water Production = 63 Bbls

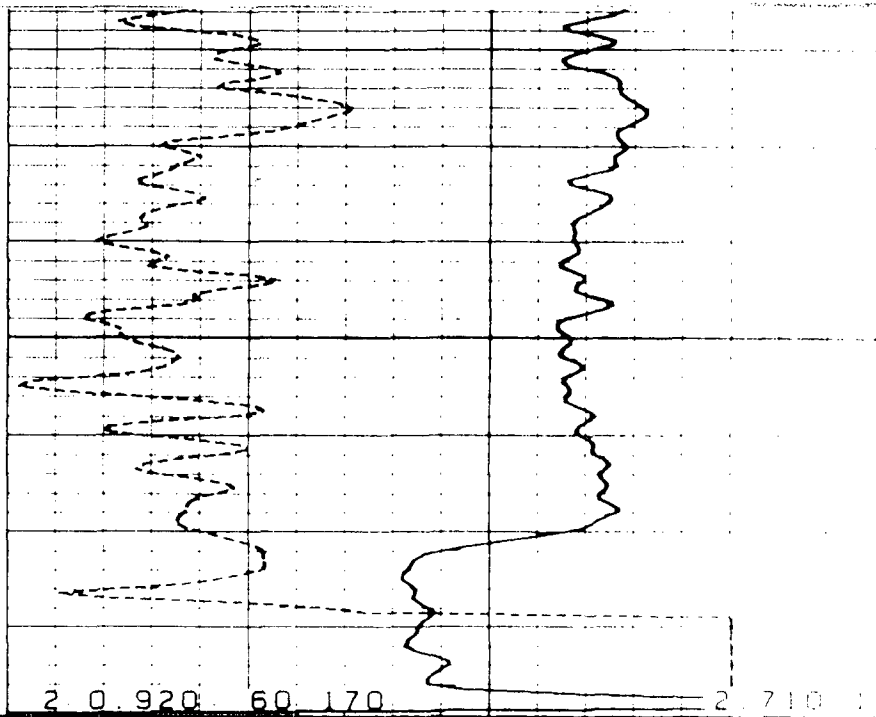
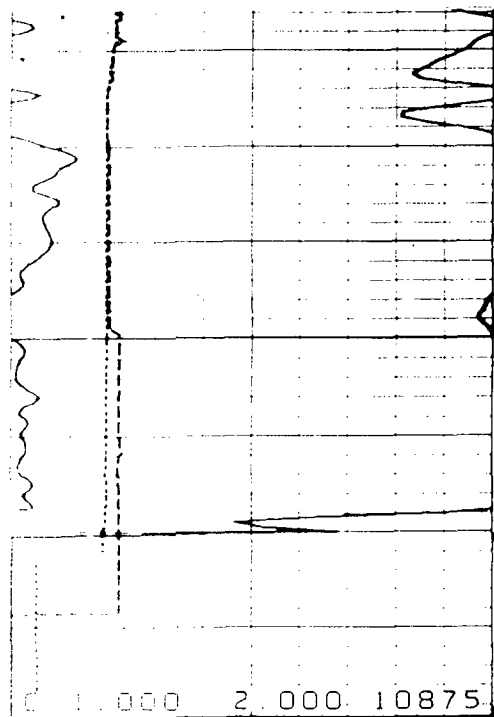
Time

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GEARHART

COMPENSATED DENSITY COMPENSATED NEUTRON LOG

FILING NO.	COMPANY ARCO OIL AND GAS COMPANY		
	WELL "BX" STATE NO. 1		
	FIELD EMPIRE SOUTH		
	COUNTY EDDY	STATE NEW MEXICO	
Location:		Other Services	
24059		DLL/MSFL	
660' FSL & 1980' FEL			
Sec. 35	Twp. 17-S	Rge. 28-E	
Permanent Datum: GROUND LEVEL Elev. 3657.5			
Log Measured from _____ Ft. Above Perm. Datum			
Drilling Measured From _____			
Date	3-20-82		
Run No.	ONE		
Depth-Driller	10,861'		
Depth-Logger	10,874'		
Bottom logged interval	10,873'		
Top logged interval	SURFACE		
Type fluid in hole	SALT GEL		
Density	Visc.		
pH	Fluid Loss	36	
Max rec. temp., deg F.		5	
Source of Samples	145 °F		
Rm @ Meas. Temp.	.066 @ 77 °F		
Rmf @ Meas. Temp.	.061 @ 77 °F		
Rmc @ Meas. Temp.	.083 @ 77 °F		
Source Rmf	Source Rmc	M	
End Circulation	0915 3-19		
Logger on Bottom	0030 3-20		
Recorded By	DeWITT		
Witnessed By	PANKRATZ		
Bore Hole Record			
Level	Hit	From	To
10 5 7 0	10 821	0710	0710
Casing Record			To
Wgt			From
8 5/8			0710
			SURE



C	GR API	100
E	CALIPER X	16
E	CALIPER Y	16

30	ϕ (CDL)
30	ϕ (CNS)

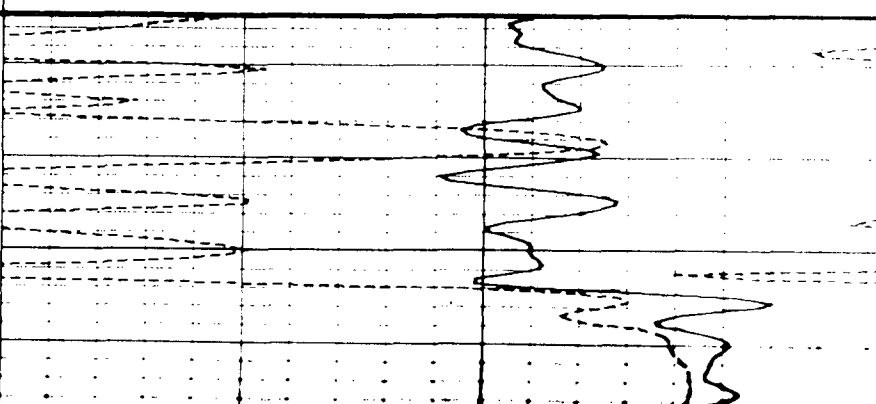
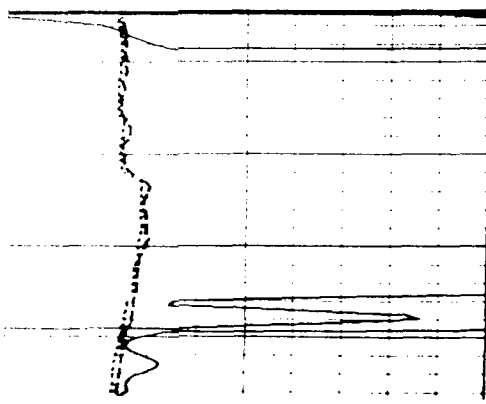
03-20-82	03:40	10889.0	180969	0047-23	0	0001-11
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REPEAT SECTION

03-20-82	03:27	10224.5	180969	0047-23	0	0001-11
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C	GR API	100
E	CALIPER X	16
E	CALIPER Y	16

30	ϕ (CDL)
30	ϕ (CNS)



1706 SH

10100

ATOKA

10200

008 RLC 5/95, 100
019 @ 210 MCHS

ATBK

MORROW

DST 10514-861
GTS 1000 MCPD

90

94

10600

9/82

1PF 10590-722

AOB = 1/463 MCFD, Cum 2.4 BCF + 18 MBE

1ma 1/95, PB to Alaska

BMLT

10700

04

00

22

BMLT

A.P.I. Number: 3001524059000

Well Bore Schematic

Lease: Stata BX Com Well: 1 Field: Empire Morrow, Atoka
Location: 660 feet F.S.L. & 1980 feet F.E.L. Section 35 Township 17S Range 28E
Block _____ Survey _____ Eddy County, NM State

Spud Date: 1-21-82
Completion Date: _____

GL 3657.5
DF _____
KB _____

Surface Casing

13 3/8" OD, 54.5 #/ft, grade 11-55
Casing Set at 811'
*Cmt with 950 sks, Circ 120 sks
Hole Size: 17 1/2"

Intermediate Casing

8 5/8" OD, 32-28 #/ft, grade 5-80
Casing Set at 2713'
*Cmt with 1200 sks, Circ 175 sks
TOC @ Surface by _____
Hole Size: 12 1/4"

Current

Packer at 10,150'

10208
Atoka
10219

CIPW/26X Cmt
at 10510'

Permanent PKR @ 10510'

10590
Morrow
10722

PBTD: 10769'
TD: 10861

Current Perforations:

Atoka 10208-10219

Production Casing

5 1/2" OD, 17-20 #/ft, grade -, thd 8rd
Casing Set @ 10861 w/ 2 total sks
in _____ stages with DV tool set @ _____
Stage 1 circ? _____ sks TOC @ 2 by _____
Stage 2 circ? _____ sks TOC @ _____ by _____
Stage 3 circ? _____ sks TOC @ _____ by _____
Hole Size: 7 7/8"

Date: 6-15-2000
Prepared By: Eric W. Nelson

A.P.I. Number: 3001524059000

Well Bore Schematic

Lease: Stata BX Com Well: 1 Field: Empire Morrow, Atoka
Location: 160 feet F S L & 1980 feet F E L. Section 35 Township 17S Range 28E
Block _____ Survey _____ Eddy County, NM State

Spud Date: 1-21-82
Completion Date: _____

GL 3657.5
DF _____
KB _____

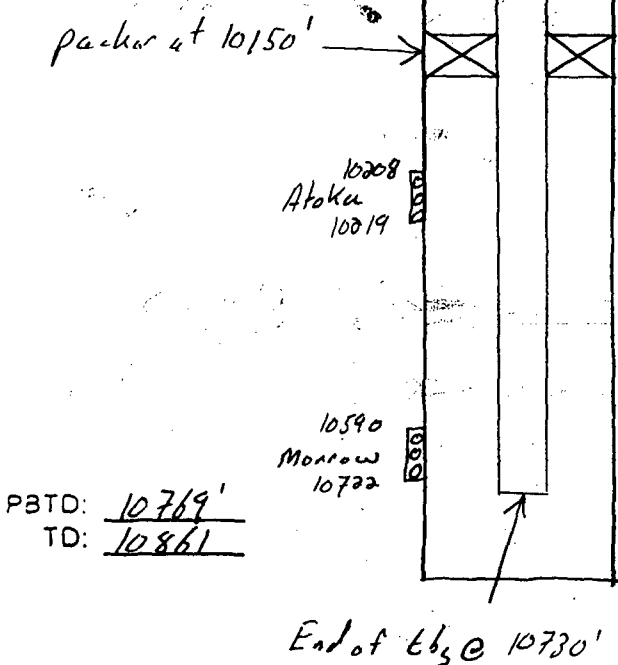
Surface Casing

13 3/8" OD, 54.5 #/ft, grade 4-55
Casing Set at 811'
*Cmt with 950 sks, Circ 120 sks
Hole Size: 17 1/2"

Intermediate Casing

8 5/8" OD, 32.28 #/ft, grade 5-80
Casing Set at 2713'
*Cmt with 1200 sks, Circ 175 sks
TOC @ Surface by _____
Hole Size: 12 1/4"

Proposed Completion



Current Perforations:

Atoka 10208-10219

Morrow 10590-10722

Production Casing

5 1/2" OD, 17.20 #/ft, grade -, thd Std
Casing Set @ 10861' w/ ? total sks
in _____ stages with DV tool set @ _____
Stage 1 circ? _____ sks TOC @ _____ by _____
Stage 2 circ? _____ sks TOC @ _____ by _____
Stage 3 circ? _____ sks TOC @ _____ by _____
Hole Size: 7 7/8"

Date: 6-15-2000
Prepared By: Frank W. Nelson